



RIPE NCC

RIPE NETWORK COORDINATION CENTRE

Cashless Netherlands

Now finally even for tourists

Ondřej Caletka | 15 June 2023 | NCC Sevens

If you live in the Netherlands



- You *sort of* have to have an account in a **Dutch bank**
- You have got a **strange debit card** branded Maestro or V-Pay
- You can pay with it **all over the country** and *sometimes* abroad
- You **cannot pay online**, but you have **iDEAL** for that
- Your bank **can charge you extra** for a *credit card* if you need to have a standard card that works online



If you visit the Netherlands



- Your bank has very likely issued you a **standard debit card** like **Visa** or **Mastercard**
- You can use it **online and offline** all around the world, **except in The Netherlands (and Germany)**
- You often hear: **“We don't accept credit cards”**
 - Which actually means: “We don't accept **anything else** than **Maestro or V-Pay.**“



This is changing now...



- Starting July 2023, **no new Maestro cards** are issued
- Existing cards **will be gradually replaced** by standard Mastercard or Visa cards (*or V-Pay, but those are deprecated*)
- The shops **must start accepting** such debit cards
- Dutch people will be **able to pay online** using their debit cards
- Foreigners can finally **use their cards**



A brief history of payment cards



Credit cards

- Started as a **loan product** (Diners Club)
- Business model based on **Point-Of-Sale commissions** and people **failing to pay their debts in time**
- Can *sort of* prove that you are a **trustworthy** person

Debit cards

- Started as a **technical measure** to make **Automated Teller Machines** work
- Proves that you are **authorised to withdraw money** from your account
- Not meant to be used with anything else than ATMs

Payment card history in Europe



- Credit cards generally **very rare**, paper/telephone based acceptance virtually **only in hotels and luxury shops**
- Electronic debit cards widespread since 1990s
- Points-Of-Sale started **accepting debit cards**
 - It was first **cheap to accept them**
 - Then payment network operators started asking **commissions similar to credit cards**
 - Ultimately, the EU **regulated the transaction fees** in 2015 to **at most 0,2 %**

Dutch-specific solution



- **National debit cards called PIN**
 - influenced language in a *very weird way*, e.g. “**PIN only**”
 - discontinued since 2012
- **Electronic debit cards Maestro and V-Pay**
 - replaced PIN cards
 - allowed limited cross-border operation
- POS terminals set up to refuse other card types
 - so the risk of high commission from credit card is eliminated
 - *everybody has a debit card so what's the problem?*



Debit card payments in the Netherlands are going to change. The same convenience, more possibilities.



In the Netherlands, virtually all merchants accept Maestro and V PAY debit cards. Debit Mastercard and Visa Debit will be added. This infographic provides some background information.

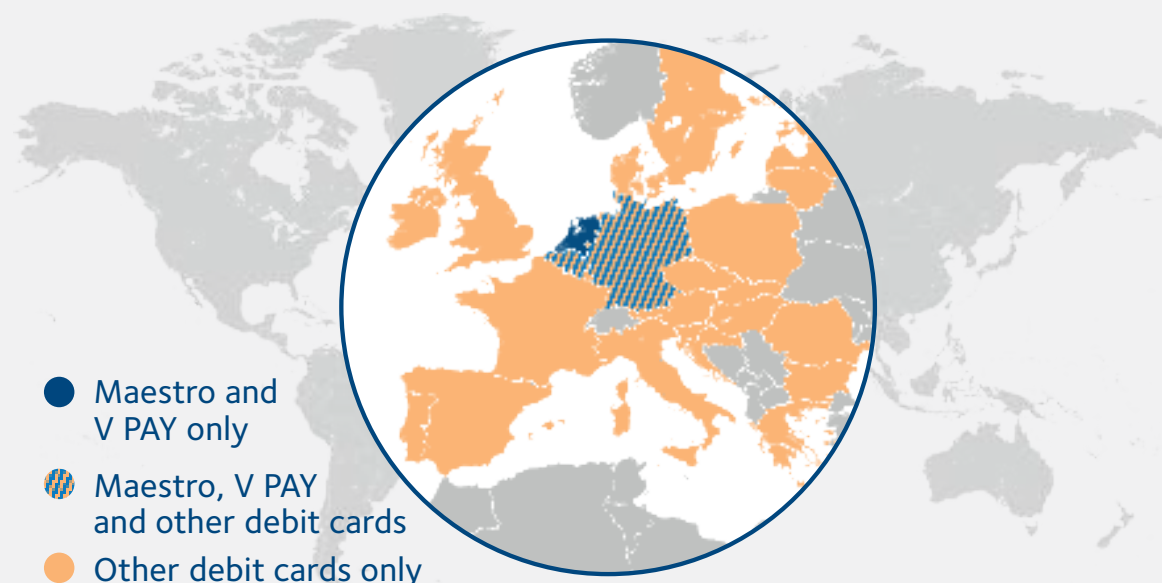
Debit card payments (with Maestro and V PAY) are broadly accepted in all sectors in the Netherlands. More than half of all merchants also accept credit cards. The acceptance varies per sector and location (tourism, along national borders). Merchants who already accept credit cards also accept Visa Debit and Debit Mastercard, unlike merchants who only accept Maestro en V PAY.



● Maestro or V PAY debit card ● credit card

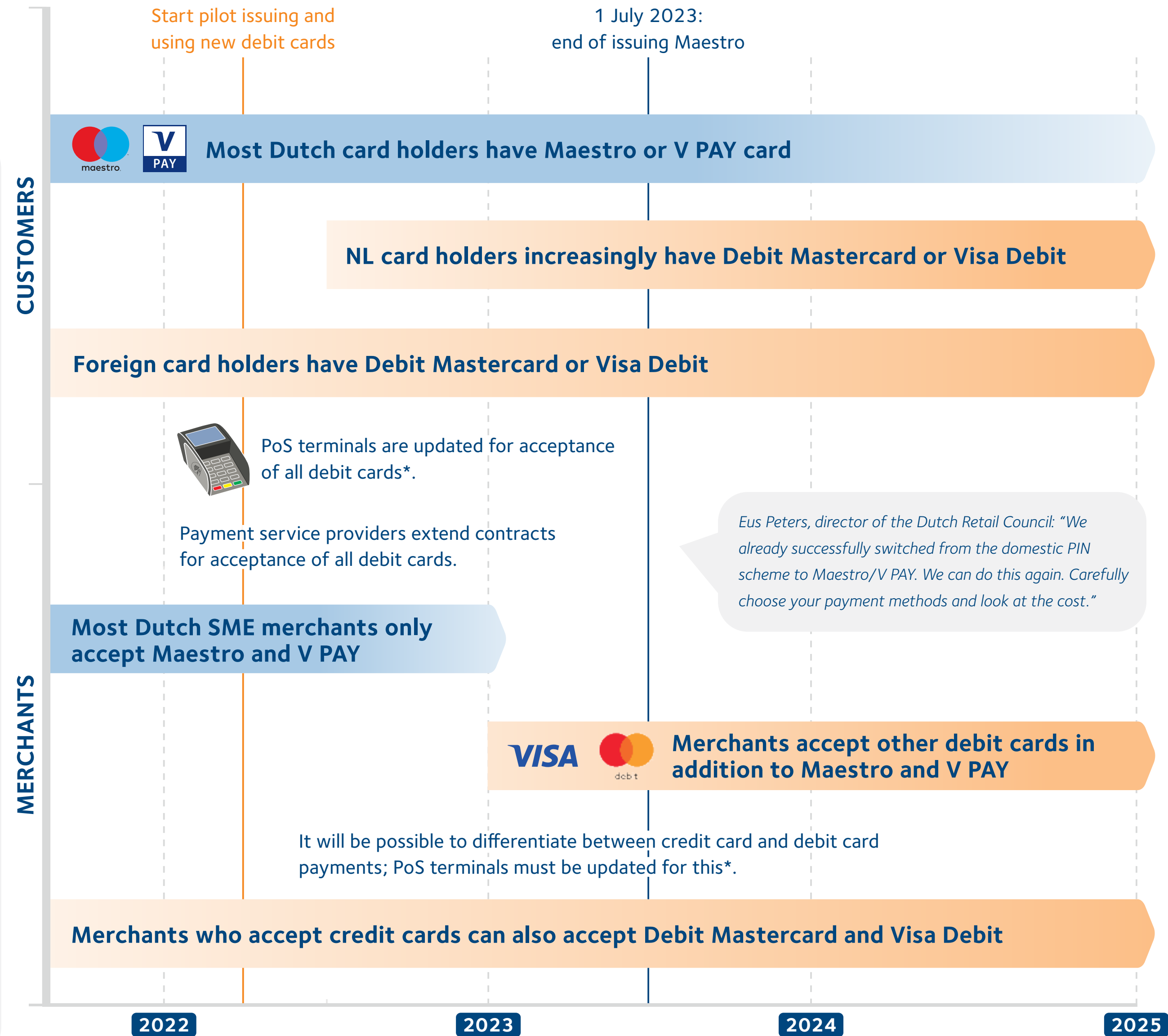
Increasing number of Debit Mastercard and Visa Debit cards in circulation.

More than 6 billion Mastercard and Visa cards are in circulation worldwide. 60% of these are debit cards that cannot be used to pay at Dutch merchants who only accept Maestro and V PAY debit cards. Cardholders with Visa Debit or Debit Mastercard can only pay cash at these merchants. These new cards will also be issued in the Netherlands in the coming years.



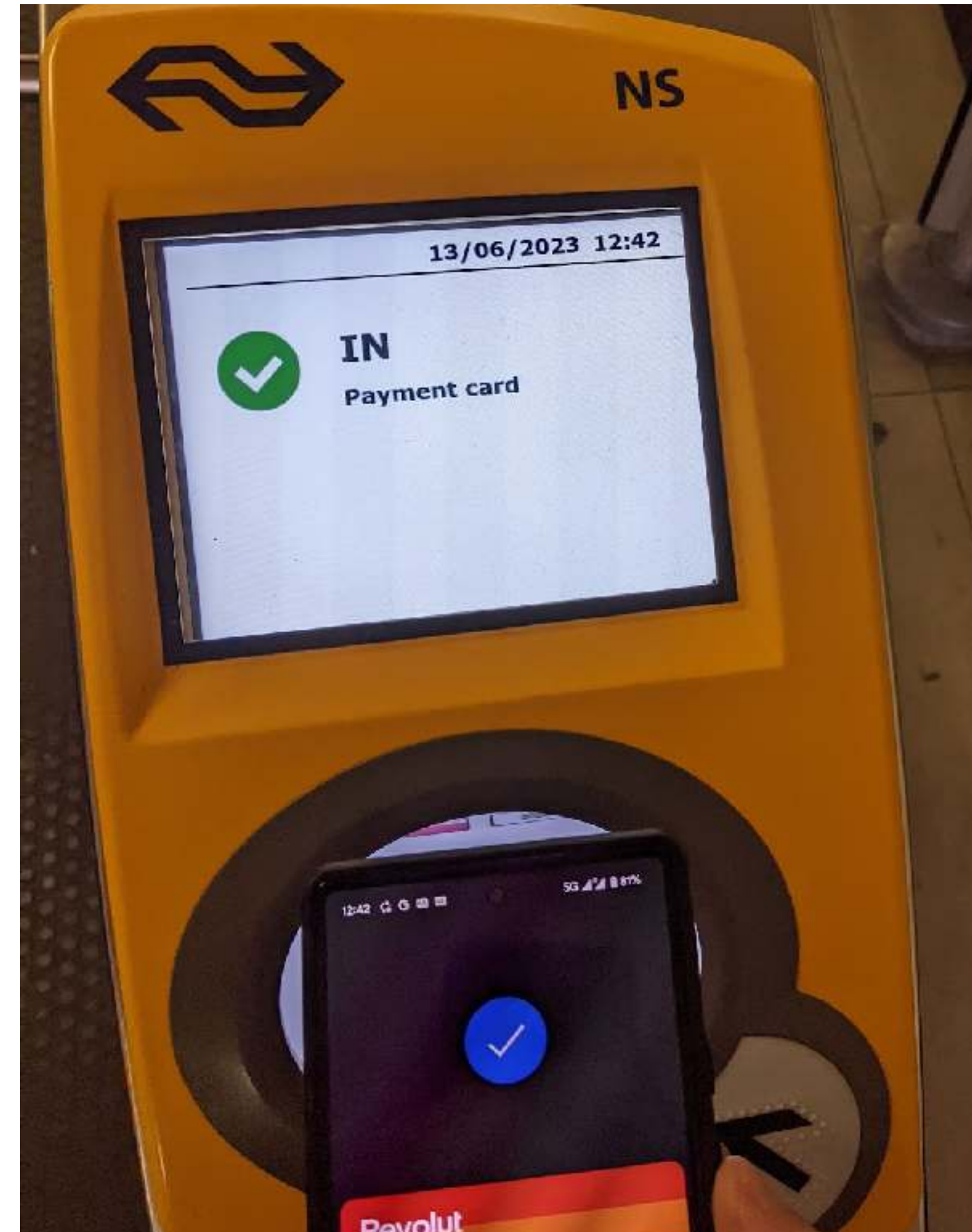
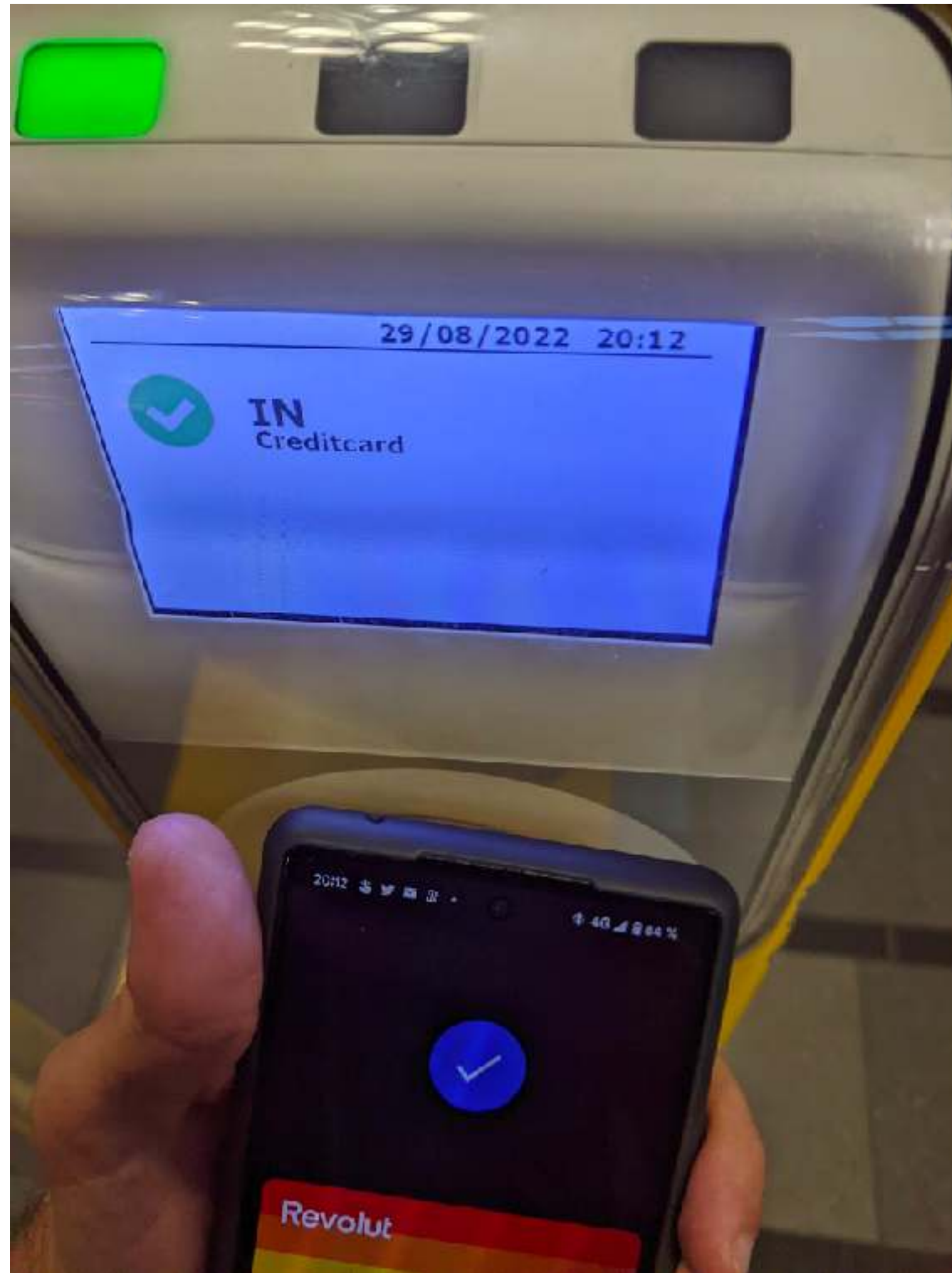
The Netherlands is increasingly an exception in Europe

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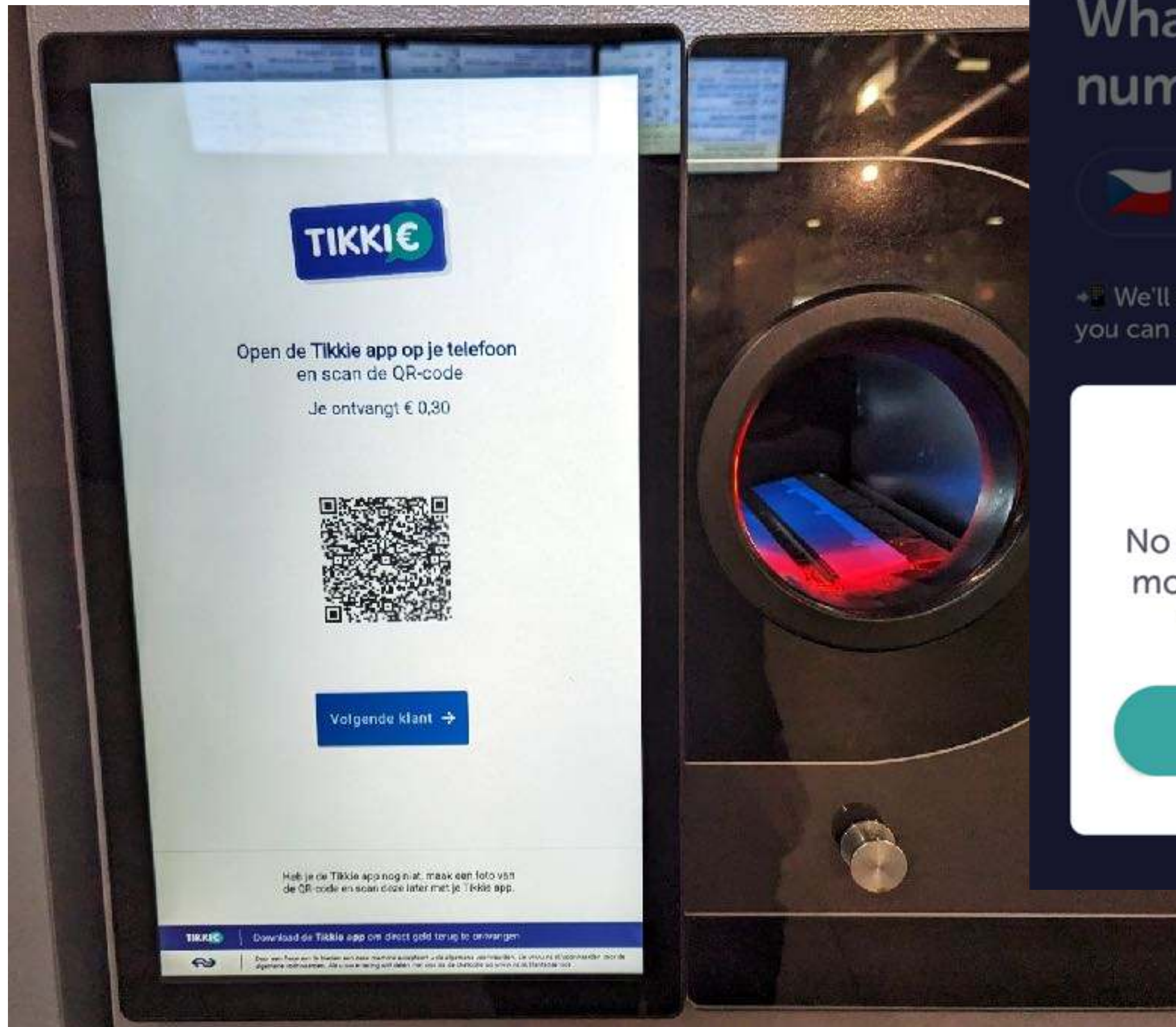


* Most PoS terminals will be updated by an automatic software update.

Not all Mastercard are credit cards



Some things are still Dutch-only



What is your mobile number?

+420

We'll send you a verification code by text message so you can confirm that it's really you.

Foreign phone number?

No problem! But please note: requesting money back with Tikkie is only possible with a Dutch IBAN and via iDEAL.

OK, got it

Which current account would you like to add?

NL 01 BANK 0123 4567 89

Your IBAN is only shared with friends that have to pay you back.



No Time For Questions



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